

**THE VILLAGE OF DEXTER  
CITY CHARTER COMMISSION  
MINUTES OF THE WEDNESDAY, MARCH 5, 2014 MEETING**

**A. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The meeting was called to order at 6:30PM by Chairman Hansen at the Copeland Board Room located at 7714 Ann Arbor Street in Dexter, Michigan.

**B. ROLL CALL:** Phil Arbour, Jack Donaldson, John Hansen, Matt Kowalski (arrived at 6:33), Michael Raatz, and James Smith. Excused absences Phil Mekas, Mary-Ellen Miller and Thom Phillips.

Also present: Courtney Nicholls, Assistant Village Manager and Carol Jones, Village Clerk.

**C. APPROVAL OF THE AGENDA**

Motion Phil Arbour; support James Smith to approve the agenda as presented.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

**D. APPROVAL OF THE MINUTES**

1. Regular Meeting – February 26, 2014

Motion Phil Arbour; support Jack Donaldson to approve the minutes with the following correction:  
Page 5, Section 7(d) the word will should be while.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

**E. PREARRANGED PARTICIPATION**

None

**F. PUBLIC HEARINGS**

None

**G. CHARTER CONSTRUCTION – SECOND READINGS**

None

## H. CHARTER CONSTRUCTION – FIRST READING

### Staff Update Memo

The following items were discussed:

- Timeline – The state has changed when petitions are due for the August ballot, now it is July 22 (15 weeks prior to the vote) and this may require some changes to meet that deadline.
- Public Hearing – move up the date of the first public hearing to March 22.
- Other public meetings – March 13 at the Cedars at 4 PM and May 8 at the Rotary meeting at 7 AM.

#### 1. Discussion of: Taxation (continued from 2/26/14)

Motion James Smith; Support Phil Arbor to approve the first reading of Section 18 – Tax Due – Notification Thereof.

The City Treasurer shall not be required to make personal demand for the payment of taxes, but, upon receipt of the city tax roll, shall, forthwith, give notice to the taxpayers of the city by forwarding a tax statement to each person named in the tax roll, which mailed statement shall be a sufficient demand for the payment of all taxes assessed. Neither the failure on the part of the City Treasurer to mail such statement nor the failure of any person to receive the same, shall invalidate the taxes on the tax roll or release any person or property assessed from the liabilities provided in this charter in case of nonpayment. Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Phil Arbour; support Jack Donaldson to approve the first reading of Section 19 – Tax Payment Schedule.

The council shall provide by ordinance, for a tax payment schedule and the amount of collection charges, penalties and interest to be added to taxes, charges, and assessments on the city tax roll. When so added, such collection charges, penalties and interest shall be treated in all respects as an item of taxes and collected as such. Any collection charges, penalties and interest shall be collectable in the same manner as taxes, assessments, and charges to which they are added.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Jack Donaldson; support Jim Smith to approve the first reading of Section 20 – Failure or Refusal to Pay Personal Property Tax.

If any person shall neglect or refuse to pay any tax on personal property assessed to such person, the City Treasurer shall collect the same by seizing any personal property of such person, to an amount sufficient to pay such tax, together with any charges and interest added thereto, wherever the same may be found in the State of Michigan. No property shall be exempt from such seizure. The City Treasurer may sell the property seized, at an

amount sufficient to pay the taxes and all charges, fees, penalties, and interest, in accordance with statutory provisions. The City Treasurer may also sue the person to whom a personal property is assessed, in accordance with the powers granted by state law.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Jack Donaldson; support James Smith to approve the first reading of Section 21 – State, County and School Taxes.

For the purpose of assessing and collecting taxes for state, county and school purposes, the city shall have the powers enumerated by the General Property Tax Act, and all provisions of state law relative to the collection of, and accounting for, such taxes and the penalties and interest thereon shall apply. For the purpose of collecting state, county, and school taxes, the City Treasurer shall perform the same duties and have the same powers as enumerated by the General Property Tax Act.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Michael Raatz; support Jack Donaldson to approve the first reading of Section 22 – Protection of City Lien.

The city shall have the power, insofar as the exercise thereof shall not conflict with or contravene the provisions of state law, to acquire such interest in any premises within the city, by purchase at any tax or other public sale, or by direct purchase from or negotiation with the State of Michigan or the owner, as may be necessary to assure to the city the collection of its taxes, special assessments, charges and any interest thereon which are levied against any lot or parcel of real property or to protect the lien of the city therefore, and may hold, lease, or sell the same. Any such procedure exercised by the city to assure the collection of its taxes or the protection of its tax or other liens shall be deemed to be for a public purpose. The council may adopt any ordinance, which may be reasonably necessary to make this section effective.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion James Smith; support Matt Kowalski to approve the first reading of Section 23 – Tax Roll to County Treasurer.

All taxes, special assessments, charges, and collection fees, on the city tax roll which remain unpaid on the first day of March following the date when said roll was received by the City Treasurer shall, on that date, become delinquent and shall be returned to the County Treasurer at the time and in the same manner and with like effects as returns by City Treasurers of school and county taxes.

Such returns shall be made upon a delinquent tax roll to be prepared by the City Treasurer and shall include all the additional charges which shall, in such return, be added to the amount assessed in said tax roll against each description. The taxes, assessments, charges, and fees, thus returned shall be collected in the same manner as taxes returned to the County Treasurer are collected under the provisions of the general

laws of the State of Michigan and shall be and remain a lien upon the lands against which they are assessed until paid.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Phil Arbour, support Jack Donaldson to approve the first reading of Section 24 – City Income Tax

No City income tax shall be levied without an approving vote of a majority of city electors voting thereon at a special or city election or as otherwise permitted by law.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

From the February 26, 2014 meeting

Motion Jack Donaldson; support James Smith to approve the first reading of Section 2 – Subject of Taxation.

Motion Phil Arbour; support Thom Phillips to table Section 2 until a future meeting

Unanimous voice vote approval with Kowalski and Miller absent.

Motion James Smith, support Matt Kowalski to set the tax rate for the City of Dexter at 12.5 mils for general operations and 5.5 mils for roads for a total of 18 mils.

Ayes: Phil Arbour, Matt Kowalski, Michael Raatz and James Smith

Nays: Jack Donaldson and John Hansen

Motion fails 4 to 2

Motion Phil Arbour; support Jack Donaldson to set the tax rate for the City of Dexter at 12.5 mils for general operations and 5 mils for roads for a total of 17.5 mils.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

#### Section 2 – Subject of Taxation

(a) Exclusive of any levies authorized by state law to be made beyond charter tax rate limitations, the annual ad valorem tax levy shall not exceed two percent (2%) or seventeen and one-half (17.5) mils of the taxable value of all real and personal property in the city. Of the seventeen and one-half (17.5) mils, 12 shall be dedicated to general operating and 5 to streets.

(b) The subjects of ad valorem taxation for municipal purposes shall be the same as for state, county, school and other taxing entities under the general law.

(c) Except as otherwise provided by this charter, city taxes shall be assessed, levied, collected, and returned in the manner provided by state law.

Unanimous voice vote approval as amended with Mekas, Miller and Phillips absent.

## **2. Discussion of: Special Assessments**

Motion Jack Donaldson; support Phil Arbour to approve the first reading of Sections 1 – 6 of Special Assessments

## Section 1 – General Power Relative to Special Assessments

The council shall have the power to determine the necessity of public improvements within the city, and to determine that the whole or any part of the cost of any public improvement shall be defrayed by special assessment upon property or properties benefited in proportion to the benefits derived or to be derived. The council shall also have the power of reassessment with respect to any such public improvement.

## Section 2 – Procedure Fixed by Ordinance

The council shall prescribe by ordinance the complete special assessment or reassessment procedure governing the initiation of projects, the preparation of plans and cost estimates, the creation of special assessment districts, notices and hearings, making and confirming the assessment rolls, the correction of errors in such rolls, the collection of special assessments, and any other matters concerning the making and financing of improvements by special assessment.

## Section 3 – Reconsideration of Petitions

In the event that the council shall fail to make any public improvement petitioned for as required by ordinance during the calendar year during which the petition is filed because of lack of funds therefore, such petition shall be reconsidered by the council prior to the first day of March of the succeeding calendar year for the purpose of determining whether such improvements should be made during such fiscal year.

## Section 4 – Condemnation Costs

The cost of condemning or otherwise acquiring property needed for any public improvement shall constitute a part of the cost of the improvement.

## Section 5 – Lien and Collection of Special Assessments

Upon the confirmation of each special assessment roll, the special assessments thereon shall become a debt to the city from the persons to whom they are assessed and, until paid shall be a lien upon the property assessed for the amount of such assessments and all interest and charges which may accrue thereon. Such liens shall be of the same character and effect as that created by this charter for city taxes and shall be treated as such in all procedures for the collection of special assessments and all collection fees or charges and interest, which may have been added or accumulated thereto.

## Section 6 – Special Assessment Account

Moneys raised by special assessment for any public improvement shall be credited to a special assessment account, and shall be used to pay the special assessment portion of the cost of the improvement for which the assessment was levied and of expenses incidental thereto, including the repayment of the principle of and interest on money borrowed therefore, and to refund excessive assessments if refunds are authorized. Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Phil Arbour; support James Smith to approve the first reading Section 7 – Certain Postponements of Payments.

The council may provide that any person who, in the opinion of the City Assessor and not less than five (5) members of the council, by reason of poverty is unable to continue payments toward the cost of the making of a public improvement, may execute to the city an instrument creating a lien for the benefit of the city on all or any part of the real property owned by that person and benefited by any public improvement, which lien will mature and be effective from and after the execution of such instrument, shall be recorded with the Register of Deeds of Washtenaw County, and shall not be discharged or released until the terms thereof are met in full. The council shall include the procedure for making this section effective in the Special Assessment Ordinance required by Section 2.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion James Smith; support Phil Arbour to approve the first reading of Section 8 – All Real Property Liable for Special Assessment.

All real property, including such as is exempt from taxation by state law, shall be liable for the cost of public improvements benefiting such property, unless specifically exempted from special assessments by law.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion Jack Donaldson; support Michael Raatz to approve the first reading of Section 9 – Specific Assessment Powers.

(a) To install and connect sewers and waterworks for property within the city and to finance the same, in whole or in part, by special assessments;

(b) To construct, grade and pave local streets within the city and to finance the same, in whole or in part, by special assessments provided that any subsequent cost of repaving or maintaining such local streets shall not be financed by special assessments but shall be paid from the general funds of the city; and

(c) To require of an owner of real property within the city to abate public hazards and nuisances thereon which are dangerous to the health, safety or general welfare of the inhabitants of the city within a reasonable time after the council notifies the owner that such hazard or nuisance exists, and if the owner fails to comply with such requirements to abate such hazard or nuisance, to assess a reasonable cost against such property.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Motion James Smith; support Jack Davidson to approve the first reading of Section 10 – Correction of Invalid Special Assessments.

Whenever any special assessment shall, in the opinion of the council, be invalid by reason of irregularity or informality in the proceedings, or if any court of competent jurisdiction shall adjudge such assessment to be illegal, the council shall, whether the improvement has been made or not, or whether any part of the assessments have been paid or not, have power to cause a new assessment to be made for the same purpose for which the former assessment was made. All proceedings on such reassessment and for the collection thereof shall be conducted in the same manner as provided for in the original assessment, and whenever any sum or part thereof levied upon any property in the assessment so set aside had been paid and not refunded, the payment so made shall be applied upon the reassessment or if the payments exceed the amount of the reassessment, refunds shall be made. Unless challenged by a successful appeal to the courts, no act of the council vacating a special assessment shall destroy or impair the lien of the city upon the premises assessed for such amount of the assessment as may be equitably charged against the same or as by regular mode of proceeding might have been lawfully assessed thereupon.

Unanimous voice vote approval with Mekas, Miller and Phillips absent.

### **3. Discussion of:     Borrowing**

Motion James Smith; support Matt Kowalski to approve the first reading of Sections 1 – 8 of Borrowing.

#### Section 1 - General Power

Subject to the applicable provisions of state law, the city may borrow money for any purpose within the scope of its powers, and may issue bonds, or other evidence of indebtedness therefore.

#### Section 2 - Limits of Borrowing Authority

(a) The net bonded indebtedness incurred for all public purposes shall not at any exceed the maximum amount permitted by state law, provided that in computing such bonded indebtedness there shall be excluded special assessment bonds, even though they are a general obligation of the city, mortgage bonds, revenue bonds, bonds in anticipation of state-retained revenues to the extent permitted by state law, and any other bonds or indebtedness excluded by law from such limitation. The amount of funds accumulated for the retirement of any outstanding bonds shall also be deducted from the amount of bonded indebtedness.

(b) The amount of emergency borrowing which may be incurred under the provisions of this charter may not exceed the maximum amount permitted by state law.

(c) No bonds shall be sold to obtain funds for any purpose other than that for which they were specially authorized, and if such bonds are not sold within the time limited by state law, such authorization shall be null and void.

(d) The issuance of any bonds not requiring the approval of the electorate shall be subject to applicable requirement of law with reference to public notice in advance of

authorization of such issues, filing of petitions for a referendum on such issuance, holding such referendum, and other applicable procedural requirements.

### Section 3 - Use of Borrowed Funds

Each bond or other evidence of indebtedness shall contain on its face a statement of the purpose for which the same is issued and no officer of the city shall use the proceeds thereof for any other purpose, except that whenever the proceeds of any bond issue, or a part thereof, remain unexpended and unencumbered for the purpose for which said bond issue was made, the council may authorize the use of such expended and unencumbered funds as provided in this section, which use shall be subject to the approval of the Michigan Department of Treasury where required:

- (a) For an additional extension or improvement of facility or project for which the bond issue was made;
- (b) For the retirement of such bond issue;
- (c) If such bond issue has been fully retired or funds are segregated which are adequate for such purpose, then for the retirement of other bonds or obligations of the city;
- (d) If there is no other indebtedness or funds are segregated which are adequate for such purpose, then for such other purposes as may be permitted by state law.

### Section 4 - Separation of Special Assessment Collections; Payment of Deficiency in Special Assessments

All collection on each special assessment roll or combination of rolls, in anticipation of which bonds have been issued, shall be set apart in a separate fund (but not necessarily in a separate bank account) and shall be used for the purpose for which levied and for the payment of the principal and interest on such bonds. If there is any deficiency in a special assessment fund to meet the payment of the principal or interest to be paid therefrom, money shall be advanced from the general funds of the city to meet such deficiency and shall be replaced in the general fund when the special assessment fund shall be sufficient therefore

### Section 5 - Bond Interest Rates

No bond or other evidence of indebtedness of the city shall bear interest at a rate that exceeds a rate ceiling imposed by state law.

### Section 6 - Execution of Bonds

All bonds issued by the city shall be signed by the Mayor and countersigned by the City Clerk and shall bear the corporate seal of the city. Said signatures of the Mayor and the City Clerk and the seal of the city may be by facsimile if permitted by state law.

### Section 7 - Record of Bonds and Other Evidence of Indebtedness; Cancellation

The City Treasurer shall keep a detailed record of all bonds and other evidence of indebtedness. Upon payment of bonds or other evidence of indebtedness the same shall be cancelled.



## Section 8 - Preparation and Records of Bonds

Each bond or other evidence of indebtedness shall contain a statement specifying the purpose for which it is issued and it shall be unlawful for any officer of the city to use the proceeds thereof for any other purpose. Any officer who shall violate this provision shall be deemed guilty of a violation of this charter, except that, whenever the proceeds of any bond issue or parts thereof shall remain unexpended and unencumbered for the purpose for which said bond issue was made, the council may authorize the use of said funds for the retirement of bonds of said issue or for any other purpose permitted by state law.

Motion Jack Donaldson; support Matt Kowalski to add Section 9 - Unissued Bonds (from the Chelsea Charter).

Any authorization by the electors for the issuance of bonds by the city shall be void if such bonds shall not be issued within three years from the date of authorization.  
Unanimous voice vote approval as amended with Mekas, Miller and Phillips absent.

### **I. OTHER ITEMS AS REQUESTED BY COMMISSIONERS**

Motion Phil Arbour; support Jack Donaldson to hold a Public Hearing on the City of Dexter Charter on March 22, 2014 at 2 PM at the Dexter District Library.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

### **J. AGENDA PREPARATION FOR THE NEXT MEETING**

Next meeting:

- Second readings
- Begin first reading of Purchasing and General Provisions

### **K. NON-ARRANGED PARTICIPATION**

None

### **L. ADJOURNMENT**

Motion Phil Arbour; support Matt Kowalski to adjourn at 8:11 PM.  
Unanimous voice vote approval with Mekas, Miller and Phillips absent.

Respectfully submitted,  
Carol J. Jones  
Clerk, Village of Dexter

Approved for Filing: \_\_\_\_\_



## **VILLAGE OF DEXTER**

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### **MEMO**

**To: City Charter Commission**  
**From: Courtney Nicholls, Assistant Village Manager**  
**Date: March 7, 2014**  
**Re: Meeting Topics**

The Commission is scheduled to conduct the second reading of Taxation, Special Assessments and Borrowing. Provided for the Commission's review are comments received by Scio Township Assessor Jim Merte on the Taxation article. Once the second reading is complete the article is considered a finished draft until the final full review of the document is done before it is submitted to the Attorney General.

Included for first readings are chapters from the Caro Charter on Purchasing and Utilities, Franchises and Permits.

The public hearing on the draft of the City Charter completed so far will be held on Saturday, March 22, 2014 at 2 p.m. at the Dexter District Library. The Commission needs to discuss the format, whether there will be a formal presentation with a power point presentation or just general discussion and what documents they would like to have available that explain the process and draft chapters.



## Taxation (Chapter 10 of the Caro Charter)

### Section 1 – Power to Tax

In order to carry out the purposes, powers, and duties of the city government, established by this charter, and subject to state law where applicable, the city may assess, levy, and collect ad valorem taxes, rents, tolls, and excise taxes.

### Section 2 – Subject of Taxation

- (a) Exclusive of any levies authorized by state law to be made beyond charter tax rate limitations, the annual ad valorem tax levy shall not exceed two percent (2%) or seventeen and one-half (17.5) mills of the taxable value of all real and personal property in the city. Of the seventeen and one-half (17.5) mills, 12 shall be dedicated to general operating and 5 to streets.
- (b) The subjects of ad valorem taxation for municipal purposes shall be the same as for state, county, school and other taxing entities under the state law.
- (c) Except as otherwise provided by this charter, city taxes shall be assessed, levied, collected, and returned in the manner provided by state law.

### Section 3 – Tax Day

Subject to the exceptions provided or permitted by state law, the taxable status of persons and property shall be determined as of December 31, or such other date as may subsequently be required by state law, which shall be deemed the tax day. Values on the assessment roll shall be determined according to the facts existing on the tax day for the year for which such roll is made, and no change in the status or location of any such property after that day shall be considered by the City Assessor or the Board of Review.

### Section 4 – Jeopardy Assessments

If the City Treasurer finds or reasonably believes that any person, who is, or may be, liable for taxes upon personal property, the taxable situs of which was in the city on tax day, intends to depart or has departed from the city; or to remove or has removed therefrom personal property; which is, or may be, liable for taxation; or to conceal or conceals their person or their property; or does any other act tending to prejudice, or to render wholly or partly ineffectual, the proceedings to collect such tax, unless proceedings therefore be brought without delay, the City Treasurer shall proceed to collect the same as a jeopardy assessment in the manner provided by state law.

### Section 5 – Assessment

The City Assessor shall annually place a value, in accordance with state law, upon all property, both real and personal, in the city, which is subject to taxation. Such valuation of property shall be in accordance with established assessment rules, techniques, and procedures. The council shall provide for the maintenance of the records and facilities of the office of the City Assessor.

## Section 6 – Assessment Roll

- (a) Prior to the date of the first meeting of the Board of Review in each year, the City Assessor shall prepare and certify an assessment roll of all property in the city, in the manner and form provided in the general tax law of the State of Michigan. Such roll may be divided into volume that the City Assessor shall identify by number, for the purpose of convenience in handling the assessment roll and for locating properties assessed therein. The attachment of any certificate or warrant required by this Article to any volumes of the roll, either as an assessment roll or as a tax roll, shall constitute the attachment thereof to the entire roll, provided the several volumes are identified in such certificate or warrant. Values of property set forth on the assessment roll shall be determined according to recognized methods of systematic assessment.
- (b) The City Assessor shall give notice by first class mail to each owner of property on the assessment roll. The notice shall be addressed to the owner according to the records of the City Assessor's office and mailed not less than ten (10) days before the date of the convening of the Board of Review. Neither the failure of the City Assessor to give notice nor the failure of a person to receive notice shall invalidate any assessment roll or any assessment thereon.

## Section 7 - Board of Review

- (a) A Board of Review is hereby created and composed of three (3) members who shall have the following qualifications: A member shall be a registered elector of the city, and shall have been a resident of the city for at least one (1) year immediately prior to the date of appointment. The appointment of members of such Board shall be based upon their knowledge and experience in property valuation.
- (b) The members of the Board of Review shall be appointed by the council and may be removed for reasons of nonfeasance or misfeasance by a majority vote of the council. The first such Board of Review appointed by the council under the provisions of this charter shall be made up of three (3) qualified members appointed for two (2), three (3), and four (4) year terms. Thereafter, when terms expire, the council shall appoint a member for a three (3) year term at the first regular council meeting in January of each succeeding year or as part of the Council's Adoption of the Resolution of Organizational Matters, whichever comes first. Upon a vacancy due to resignation or otherwise, the council shall appoint a member to fill the remainder of the vacant term. The council shall fix the compensation of the members of the Board.
- (c) An annual organizational meeting of the Board of Review shall be held on the first Monday in March to select one (1) of its members as chairperson for the ensuing year, to review the assessment roll and to examine the guidelines and practices followed in preparing the assessment roll. The City Assessor shall be the secretary of the Board, and shall be entitled to be heard at its sessions, but shall have no vote on any proposition or question.

- (d) Being elected to an office of the city will serving as a member of the Board of Review shall constitute a resignation from the Board of Review.

#### Section 8 – Duties and Functions of Board of Review

- (a) The members of the Board of Review shall be officers of the city and shall take the oath of office, which shall be filed with the City Clerk.
- (b) For the purpose of revising and correcting assessments, the Board of Review shall have the powers and perform duties, in all respects as given by state law.
- (c) At the time, and in the manner provided in the following section, the Board of Review shall hear the complaints of all persons considering themselves aggrieved by assessments. If it shall appear that any person or property has been wrongfully assessed or omitted from the roll, the Board of Review shall correct the roll in such manner as it deems just. In all cases, the assessment roll shall be reviewed according to the facts existing on the most recent tax day.
- (d) Except as otherwise provided by state law, no person other than the Board of Review shall make any change upon, or addition or correction to, the assessment roll.
- (e) The City Assessor shall make a permanent record of all proceedings of the Board of Review and enter therein all its resolutions and decisions. Such record shall be filed with the City Clerk on or before the first day of May following the meeting of the Board of Review.

#### Section 9 – Notice of Meeting

Notice of the time and location of the sessions of the Board of Review shall be published by the City Assessor in a newspaper having general circulation in the city at least one (1) week prior to each session of the Board and printed on the assessment notice sent as described in Section 6b of this charter.

#### Section 10 – Meetings; Examination of Persons Appearing

The Board of Review shall meet in two (2) sessions in each year at such place as shall be designated by the council. The first session of the Board shall convene on the first Monday in March of each year and may continue in session for three (3) days and as much longer as may be necessary for the purpose of considering and correcting the roll. In each case where the assessed value is increased or any property added to the rolls by the Board, the secretary of the Board shall give notice to the owners thereof according to the last assessment roll of the city by first class mail as prescribed by statute. The second session of the Board shall convene on the third Monday of March of each year and shall continue in session for one (1) day and as much longer as may be necessary for the purpose of hearing appeals of property assessments. The Board shall remain in session during such hours as the council may designate.

### Section 11 – Certification of Roll

After the Board of Review has completed its review of the assessment roll, the majority of its members shall sign a certificate to the effect that the same is the assessment roll of the city for the year in which it has been prepared, as approved by the Board of Review, which certificate, when attached to any volume of the roll, shall constitute a conclusive presumption of the validity of the entire roll.

### Section 12 – Validity of Assessment Roll

Upon the certification by the Board of Review the assessment roll, and from and after midnight ending the last day of the meeting of the Board of Review, shall be the assessment roll of the city for county, school and city taxes, and for other taxes on real and personal property that may be authorized by state law. It shall be presumed by all courts and tribunals to be valid, and shall not be set aside, except for cause set forth by state law.

### Section 13 – Clerk to Certify Levy

Within three (3) days after the adoption of the budget for the ensuing year, the City Clerk shall certify to the City Assessor the total amount which the council determines shall be raised by general taxation, together with such other assessments and lawful charges and amount which the county and other taxing authorities shall authorize or require to be assessed, reassessed, or charged upon the city tax roll against property or persons.

### Section 14 – City Tax Roll

After the Board of Review has completed its review of the assessment roll, the City Assessor shall prepare a tax roll, to be known as the "City Tax Roll." Upon receiving the certification of the several amounts to be raised, assessed, and charged for city taxes, as provided in the preceding section, the City Assessor shall proceed forthwith to:

- (a) Spread the amounts of the general city tax according to and in proportion to the several valuations set forth in said assessment roll;
- (b) Place such other assessments and charges upon the roll as are required and authorized by the council; and
- (c) Complete other said tasks as required by state law.

### Section 15 – Tax Roll Certified for Collection

After extending the taxes and placing other assessments and charges upon the roll, the City Assessor shall certify said tax roll and attach the City Assessor's warrant by the tenth day of June in each year, directing and requiring the City Treasurer to collect from the several persons named in said roll the several sums mentioned therein opposite their respective names as a tax or assessment, and granting the City Treasurer for the purpose of collecting the taxes, assessments, and charges of such roll, all the power and immunities possessed by City Treasurers for the collection of taxes under the general laws of the state.



#### Section 16 – Liens

All taxes thus assessed shall become a debt due the city as provided by state law and, as of the first day of July of the year of assessment, the said taxes with any applicable charges, fees or penalties shall become a lien upon the property against which they are assessed until paid.

#### Section 17 – Tax Payment Dates

City taxes shall be due and payable on the first day of July each year and be delinquent after September 15. Other property taxes as permitted by state law shall be due December 1 and be delinquent after February 28. Unpaid tax assessment charges and penalties shall be turned over for collection by March 1 as provided by statute.

#### Section 18 – Tax Due – Notification Thereof

The City Treasurer shall not be required to make personal demand for the payment of taxes, but, upon receipt of the city tax roll, shall, forthwith, give notice to the taxpayers of the city by forwarding a tax statement to each person named in the tax roll, which mailed statement shall be a sufficient demand for the payment of all taxes assessed. Neither the failure on the part of the City Treasurer to mail such statement nor the failure of any person to receive the same, shall invalidate the taxes on the tax roll or release any person or property assessed from the liabilities provided in this charter in case of nonpayment.

#### Section 19 – Tax Payment Schedule

The council shall provide by ordinance, for a tax payment schedule and the amount of collection charges, penalties and interest to be added to taxes, charges, and assessments on the city tax roll. When so added, such collection charges, penalties and interest shall be treated in all respects as an item of taxes and collected as such. Any collection charges, penalties and interest shall be collectable in the same manner as taxes, assessments, and charges to which they are added.

#### Section 20 – Failure or Refusal to Pay Personal Property Tax

If any person shall neglect or refuse to pay any tax on personal property assessed to such person, the City Treasurer shall collect the same by seizing any personal property of such person, to an amount sufficient to pay such tax, together with any charges and interest added thereto, wherever the same may be found in the State of Michigan. No property shall be exempt from such seizure. The City Treasurer may sell the property seized, at an amount sufficient to pay the taxes and all charges, fees, penalties, and interest, in accordance with statutory provisions. The City Treasurer may also sue the person to whom a personal property is assessed, in accordance with the powers granted by state law.

### Section 21 – State, County and School Taxes

For the purpose of assessing and collecting taxes for state, county and school purposes, the city shall have the powers enumerated by the General Property Tax Act, and all provisions of state law relative to the collection of, and accounting for, such taxes and the penalties and interest thereon shall apply. For the purpose of collecting state, county, and school taxes, the City Treasurer shall perform the same duties and have the same powers as enumerated by the General Property Tax Act.

### Section 22 – Protection of City Lien

The city shall have the power, insofar as the exercise thereof shall not conflict with or contravene the provisions of state law, to acquire such interest in any premises within the city, by purchase at any tax or other public sale, or by direct purchase from or negotiation with the State of Michigan or the owner, as may be necessary to assure to the city the collection of its taxes, special assessments, charges and any interest thereon which are levied against any lot or parcel of real property or to protect the lien of the city therefore, and may hold, lease, or sell the same. Any such procedure exercised by the city to assure the collection of its taxes or the protection of its tax or other liens shall be deemed to be for a public purpose. The council may adopt any ordinance, which may be reasonably necessary to make this section effective.

### Section 23 – Tax Roll to County Treasurer

All taxes, special assessments, charges, and collection fees, on the city tax roll which remain unpaid on the first day of March following the date when said roll was received by the City Treasurer shall, on that date, become delinquent and shall be returned to the County Treasurer at the time and in the same manner and with like effects as returns by City Treasurers of school and county taxes.

Such returns shall be made upon a delinquent tax roll to be prepared by the City Treasurer and shall include all the additional charges which shall, in such return, be added to the amount assessed in said tax roll against each description. The taxes, assessments, charges, and fees, thus returned shall be collected in the same manner as taxes returned to the County Treasurer are collected under the provisions of the general laws of the State of Michigan and shall be and remain a lien upon the lands against which they are assessed until paid.

### Section 24 – City Income Tax

No City income tax shall be levied without an approving vote of a majority of city electors voting thereon at a special or city election or as otherwise permitted by state law.

## H. CHARTER CONSTRUCTION – FIRST READING

### 1. Discussion of: Taxation (continued from 2/19/14)

Motion Jack Donaldson; support James Smith to approve the first reading of Section 2 – Subject of Taxation.

Motion Phil Arbour; support Thom Phillips to table Section 2 until a future meeting.  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion Phil Arbour; support Jack Donaldson to approve the first reading of Section 3 – Tax Day.

Subject to the exceptions provided or permitted by law, the taxable status of persons and property shall be determined as of December 31, or such other date as may subsequently be required by law, which shall be deemed the tax day. Values on the assessment roll shall be determined according to the facts existing on the tax day for the year for which such roll is made, and no change in the status or location of any such property after that day shall be considered by the City Assessor or the Board of Review. *OK*  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion James Smith; support Michael Raatz to approve the first reading of Section 4 – Jeopardy Assessments.

If the City Treasurer finds or reasonably believes that any person, who is, or may be, liable for taxes upon personal property, the taxable situs of which was in the city on tax day, intends to depart or has departed from the city; or to remove or has removed therefrom personal property; which is, or may be, liable for taxation; or to conceal or conceals their person or their property; or does any other act tending to prejudice, or to render wholly or partly ineffectual, the proceedings to collect such tax, unless proceedings therefore be brought without delay, the City Treasurer shall proceed to collect the same as a jeopardy assessment in the manner provided by state law. *OK*  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion James Smith; support Michael Raatz to approve the first reading of Section 5 – Assessment.

The City Assessor shall annually place a value, in accordance with law, upon all property, both real and personal, in the city, which is subject to taxation. Such valuation of property shall be in accordance with established assessment rules, techniques, and procedures. The council shall provide for the maintenance of the records and facilities of the office of the City Assessor. *OK*  
Unanimous voice vote approval as amended with Kowalski and Miller absent.

Motion Jack Donaldson; support Phil Arbour to approve the first reading of Section 6 - Assessment Roll.

(a) Prior to the date of the first meeting of the Board of Review in each year, the City Assessor shall prepare and certify an assessment roll of all property in the city, in the manner and form provided in the general tax law of the State of Michigan. Such roll may be divided into volume that the City Assessor shall identify by number, for the purpose of convenience in handling the assessment roll and for locating properties assessed therein. The attachment of any certificate or warrant required by this Article to any volumes of the roll, either as an assessment roll or as a tax roll, shall constitute the attachment thereof to the entire roll, provided the several volumes are identified in such certificate or warrant. Values of property set forth on the assessment roll shall be determined according to recognized methods of systematic assessment.

OK w/ correction

law is  
now 14 days

(b) The City Assessor shall give notice by first class mail to each owner of property on the assessment roll. The notice shall be addressed to the owner according to the records of the City Assessor's office and mailed not less than ten (10) days before the date of the convening of the Board of Review. Neither the failure of the City Assessor to give notice nor the failure of a person to receive notice shall invalidate any assessment roll or any assessment thereon.  
Unanimous voice vote approval as amended with Kowalski and Miller absent.

Motion Phil Arbour; support Phil Mekas to approve the first reading of Section 7 - Board of Review.

(a) A Board of Review is hereby created and composed of three (3) members who shall have the following qualifications: A member shall be a registered elector of the city, and shall have been a resident of the city for at least one (1) year immediately prior to the date of appointment. The appointment of members of such Board shall be based upon their knowledge and experience in property valuation.

(b) The members of the Board of Review shall be appointed by the council and may be removed for reasons of nonfeasance or misfeasance by a majority vote of the council. The first such Board of Review appointed by the council under the provisions of this charter shall be made up of three (3) qualified members appointed for two (2), three (3), and four (4) year terms. Thereafter, when terms expire, the council shall appoint a member for a three (3) year term at the first regular council meeting in January of each succeeding year or as part of the Council's Adoption of the Resolution of Organizational Matters, whichever comes first. Upon a vacancy due to resignation or otherwise, the council shall appoint a member to fill the remainder of the vacant term. The council shall fix the compensation of the members of the Board.

(c) An annual organizational meeting of the Board of Review shall be held on the first Monday in March to select one (1) of its members as chairperson for the ensuing year, to review the assessment roll and to examine the guidelines and practices followed in preparing the assessment roll. The City Assessor shall be the secretary of the Board, and shall be entitled to be heard at its sessions, but shall have no vote on any proposition or question.

Tuesday  
follows first  
monday  
2/11/29

(d) Being elected to an office of the city will serving as a member of the Board of Review shall constitute a resignation from the Board of Review. ~~XXXX~~  
Unanimous voice vote approval as amended with Kowalski and Miller absent.

Motion James Smith; support Jack Donaldson to approve the first reading of Section 8 - Duties and Functions of Board of Review.

- (a) The members of the Board of Review shall be officers of the city and shall take the oath of office, which shall be filed with the City Clerk.
- (b) For the purpose of revising and correcting assessments, the Board of Review shall have the powers and perform duties, in all respects as given by state law.
- (c) At the time, and in the manner provided in the following section, the Board of Review shall hear the complaints of all persons considering themselves aggrieved by assessments. If it shall appear that any person or property has been wrongfully assessed or omitted from the roll, the Board of Review shall correct the roll in such manner as it deems just. In all cases, the assessment roll shall be reviewed according to the facts existing on the most recent tax day.
- (d) Except as otherwise provided by state law, no person other than the Board of Review shall make any change upon, or addition or correction to, the assessment roll.
- (e) The City Assessor shall make a permanent record of all proceedings of the Board of Review and enter therein all its resolutions and decisions. Such record shall be filed with the City Clerk on or before the first day of May following the meeting of the Board of Review. *OK*

Unanimous voice vote approval with Kowalski and Miller absent.

Motion James Smith; support Jack Donaldson to approve the first reading of Section 9 - Notice of Meeting.

Notice of the time and location of the sessions of the Board of Review shall be published by the City Assessor in a newspaper having general circulation in the city at least one (1) week prior to each session of the Board and printed on the assessment notice sent as described in Section 6b of this charter. *OK*

Unanimous voice vote approval with Kowalski and Miller absent.

Motion Phil Arbour; support James Smith to approve the first reading of Section 10 - Meetings; Examination of Persons Appearing.

The Board of Review shall meet in two (2) sessions in each year at such place as shall be designated by the council. The first session of the Board shall convene on the first Monday in March of each year and may continue in session for three (3) days and as much longer as may be necessary for the purpose of considering and correcting the roll. In each case where the assessed value is increased or any property added to the rolls by the Board, the secretary of the Board shall give notice to the owners thereof according to the last assessment roll of the city by first class mail as prescribed by statute. The second session of the Board shall convene on the third Monday of March of each year and shall continue in session for one (1) day and as much longer as may

*Tuesday  
Following  
1st Monday  
21.29*

*This may be okay by charter but Monday  
see 21.30(2) says 2nd with alternate dates*

be necessary for the purpose of hearing appeals of property assessments. The Board shall remain in session during such hours as the council may designate.  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion James Smith; support Michael Raatz to approve the first reading of Section 11 – Certification of Roll.

After the Board of Review has completed its review of the assessment roll, the majority of its members shall sign a certificate to the effect that the same is the assessment roll of the city for the year in which it has been prepared, as approved by the Board of Review, which certificate, when attached to any volume of the roll, shall constitute a conclusive presumption of the validity of the entire roll.  
Unanimous voice vote approval with Kowalski and Miller absent. OK

Motion James Smith; support Thom Phillips to approve the first reading of Section 12 – Validity of Assessment Roll.

Upon the certification by the Board of Review the assessment roll, and from and after midnight ending the last day of the meeting of the Board of Review, shall be the assessment roll of the city for county, school and city taxes, and for other taxes on real and personal property that may be authorized by law. It shall be presumed by all courts and tribunals to be valid, and shall not be set aside, except for cause set forth by state law. OK  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion Phil Arbour; support Phil Mekas to approve the first reading of Section 13 – Clerk to Certify Levy.

Within three (3) days after the adoption of the budget for the ensuing year, the City Clerk shall certify to the City Assessor the total amount which the council determines shall be raised by general taxation, together with such other assessments and lawful charges and amount which the county and other taxing authorities shall authorize or require to be assessed, reassessed, or charged upon the city tax roll against property or persons. OK  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion Jack Donaldson; support James Smith to approve the first reading of Section 14 -- City Tax Roll.

After the Board of Review has completed its review of the assessment roll, the City Assessor shall prepare a tax roll, to be known as the "City Tax Roll." Upon receiving the certification of the several amounts to be raised, assessed, and charged for city taxes, as provided in the preceding section, the City Assessor shall proceed forthwith to:

- (a) Spread the amounts of the general city tax according to and in proportion to the several valuations set forth in said assessment roll;

- (b) Place such other assessments and charges upon the roll as are required and authorized by the council; and  
(c) Complete other said tasks as required by state law. *OK*  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion Thom Phillips; support James Smith to approve the first reading of Section 15  
-- Tax Roll Certified for Collection.

After extending the taxes and placing other assessments and charges upon the roll, the City Assessor shall certify said tax roll and attach the City Assessor's warrant by the tenth day of June in each year, directing and requiring the City Treasurer to collect from the several persons named in said roll the several sums mentioned therein opposite their respective names as a tax or assessment, and granting the City Treasurer for the purpose of collecting the taxes, assessments, and charges of such roll, all the power and immunities possessed by City Treasurers for the collection of taxes under the general laws of the state. *OK*  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion Phil Arbour; support Jack Donaldson to approve the first reading of Section 16 -- Liens.

All taxes thus assessed shall become a debt due the city as provided by general law and, as of the first day of July of the year of assessment, the said taxes with any applicable charges, fees or penalties shall become a lien upon the property against which they are assessed until paid. *OK*  
Unanimous voice vote approval with Kowalski and Miller absent.

Motion Phil Arbour; support Jack Donaldson to approve the first reading of Section 17 -- Tax Payment Dates.

City taxes shall be due and payable on the first day of July each year and be delinquent after September 15. Other property taxes as permitted by law shall be due December 1 and be delinquent after February 28. Unpaid tax assessment charges and penalties shall be turned over for collection by March 1 as provided by statute. *OK*  
Unanimous voice vote approval with Kowalski and Miller absent.

#### **I. OTHER ITEMS AS REQUESTED BY COMMISSIONERS**

Invite Scio Township and Webster Township Assessors to the next meeting.





## Special Assessments (Chapter 11 of the Caro Charter)

### Section 1 – General Power Relative to Special Assessments

The council shall have the power to determine the necessity of public improvements within the city, and to determine that the whole or any part of the cost of any public improvement shall be defrayed by special assessment upon property or properties benefited in proportion to the benefits derived or to be derived. The council shall also have the power of reassessment with respect to any such public improvement.

### Section 2 – Procedure Fixed by Ordinance

The council shall prescribe by ordinance the complete special assessment or reassessment procedure governing the initiation of projects, the preparation of plans and cost estimates, the creation of special assessment districts, notices and hearings, making and confirming the assessment rolls, the correction of errors in such rolls, the collection of special assessments, and any other matters concerning the making and financing of improvements by special assessment.

### Section 3 – Reconsideration of Petitions

In the event that the council shall fail to make any public improvement petitioned for as required by ordinance during the calendar year during which the petition is filed because of lack of funds therefore, such petition shall be reconsidered by the council prior to the first day of March of the succeeding calendar year for the purpose of determining whether such improvements should be made during such fiscal year.

### Section 4 – Condemnation Costs

The cost of condemning or otherwise acquiring property needed for any public improvement shall constitute a part of the cost of the improvement.

### Section 5 – Lien and Collection of Special Assessments

Upon the confirmation of each special assessment roll, the special assessments thereon shall become a debt to the city from the persons to whom they are assessed and, until paid shall be a lien upon the property assessed for the amount of such assessments and all interest and charges which may accrue thereon. Such liens shall be of the same character and effect as that created by this charter for city taxes and shall be treated as such in all procedures for the collection of special assessments and all collection fees or charges and interest, which may have been added or accumulated thereto.

### Section 6 – Special Assessment Account

Moneys raised by special assessment for any public improvement shall be credited to a special assessment account, and shall be used to pay the special assessment portion of the cost of the improvement for which the assessment was levied and of expenses incidental thereto, including

the repayment of the principle of and interest on money borrowed therefore, and to refund excessive assessments if refunds are authorized.

#### Section 7 – Certain Postponements of Payments.

The council may provide that any person who, in the opinion of the City Assessor and not less than five (5) members of the council, by reason of poverty is unable to continue payments toward the cost of the making of a public improvement, may execute to the city an instrument creating a lien for the benefit of the city on all or any part of the real property owned by that person and benefited by any public improvement, which lien will mature and be effective from and after the execution of such instrument, shall be recorded with the Register of Deeds of Washtenaw County, and shall not be discharged or released until the terms thereof are met in full. The council shall include the procedure for making this section effective in the Special Assessment Ordinance required by Section 2.

#### Section 8 – All Real Property Liable for Special Assessment.

All real property, including such as is exempt from taxation by state law, shall be liable for the cost of public improvements benefiting such property, unless specifically exempted from special assessments by state law.

#### Section 9 – Specific Assessment Powers.

- (a) To install and connect sewers and waterworks for property within the city and to finance the same, in whole or in part, by special assessments;
- (b) To construct, grade and pave local streets within the city and to finance the same, in whole or in part, by special assessments provided that any subsequent cost of repaving or maintaining such local streets shall not be financed by special assessments but shall be paid from the general funds of the city; and
- (c) To require of an owner of real property within the city to abate public hazards and nuisances thereon which are dangerous to the health, safety or general welfare of the inhabitants of the city within a reasonable time after the council notifies the owner that such hazard or nuisance exists, and if the owner fails to comply with such requirements to abate such hazard or nuisance, to assess a reasonable cost against such property.

#### Section 10 – Correction of Invalid Special Assessments.

Whenever any special assessment shall, in the opinion of the council, be invalid by reason of irregularity or informality in the proceedings, or if any court of competent jurisdiction shall adjudge such assessment to be illegal, the council shall, whether the improvement has been made or not, or whether any part of the assessments have been paid or not, have power to cause a new assessment to be made for the same purpose for which the former assessment was made. All proceedings on such reassessment and for the collection thereof shall be conducted in the same manner as provided for in the original assessment, and whenever any sum or part thereof levied

upon any property in the assessment so set aside had been paid and not refunded, the payment so made shall be applied upon the reassessment or if the payments exceed the amount of the reassessment, refunds shall be made. Unless challenged by a successful appeal to the courts, no act of the council vacating a special assessment shall destroy or impair the lien of the city upon the premises assessed for such amount of the assessment as may be equitably charged against the same or as by regular mode of proceeding might have been lawfully assessed thereupon.



## Borrowing (Chapter 12 of the Caro Charter)

### Section 1 - General Power

Subject to the applicable provisions of state law, the city may borrow money for any purpose within the scope of its powers, and may issue bonds, or other evidence of indebtedness therefore.

### Section 2 - Limits of Borrowing Authority

- (a) The net bonded indebtedness incurred for all public purposes shall not at any exceed the maximum amount permitted by state law, provided that in computing such bonded indebtedness there shall be excluded special assessment bonds, even though they are a general obligation of the city, mortgage bonds, revenue bonds, bonds in anticipation of state-retained revenues to the extent permitted by state law, and any other bonds or indebtedness excluded by state law from such limitation. The amount of funds accumulated for the retirement of any outstanding bonds shall also be deducted from the amount of bonded indebtedness.
- (b) The amount of emergency borrowing which may be incurred under the provisions of this charter may not exceed the maximum amount permitted by state law.
- (c) No bonds shall be sold to obtain funds for any purpose other than that for which they were specially authorized, and if such bonds are not sold within the time limited by state law, such authorization shall be null and void.
- (d) The issuance of any bonds not requiring the approval of the electorate shall be subject to applicable requirement of state law with reference to public notice in advance of authorization of such issues, filing of petitions for a referendum on such issuance, holding such referendum, and other applicable procedural requirements.

### Section 3 - Use of Borrowed Funds

Each bond or other evidence of indebtedness shall contain on its face a statement of the purpose for which the same is issued and no officer of the city shall use the proceeds thereof for any other purpose, except that whenever the proceeds of any bond issue, or a part thereof, remain unexpended and unencumbered for the purpose for which said bond issue was made, the council may authorize the use of such expended and unencumbered funds as provided in this section, which use shall be subject to the approval of the Michigan Department of Treasury where required:

- (a) For an additional extension or improvement of facility or project for which the bond issue was made;
- (b) For the retirement of such bond issue;
- (c) If such bond issue has been fully retired or funds are segregated which are adequate for such purpose, then for the retirement of other bonds or obligations of the city;

- (d) If there is no other indebtedness or funds are segregated which are adequate for such purpose, then for such other purposes as may be permitted by state law.

Section 4 - Separation of Special Assessment Collections; Payment of Deficiency in Special Assessments

All collection on each special assessment roll or combination of rolls, in anticipation of which bonds have been issued, shall be set apart in a separate fund (but not necessarily in a separate bank account) and shall be used for the purpose for which levied and for the payment of the principal and interest on such bonds. If there is any deficiency in a special assessment fund to meet the payment of the principal or interest to be paid therefrom, money shall be advanced from the general funds of the city to meet such deficiency and shall be replaced in the general fund when the special assessment fund shall be sufficient therefore

Section 5 - Bond Interest Rates

No bond or other evidence of indebtedness of the city shall bear interest at a rate that exceeds a rate ceiling imposed by state law.

Section 6 - Execution of Bonds

All bonds issued by the city shall be signed by the Mayor and countersigned by the City Clerk and shall bear the corporate seal of the city. Said signatures of the Mayor and the City Clerk and the seal of the city may be by facsimile if permitted by state law.

Section 7 - Record of Bonds and Other Evidence of Indebtedness; Cancellation

The City Treasurer shall keep a detailed record of all bonds and other evidence of indebtedness. Upon payment of bonds or other evidence of indebtedness the same shall be cancelled.

Section 8 - Preparation and Records of Bonds

Each bond or other evidence of indebtedness shall contain a statement specifying the purpose for which it is issued and it shall be unlawful for any officer of the city to use the proceeds thereof for any other purpose. Any officer who shall violate this provision shall be deemed guilty of a violation of this charter, except that, whenever the proceeds of any bond issue or parts thereof shall remain unexpended and unencumbered for the purpose for which said bond issue was made, the council may authorize the use of said funds for the retirement of bonds of said issue or for any other purpose permitted by state law.

Section 9 - Unissued Bonds (from the Chelsea Charter).

Any authorization by the electors for the issuance of bonds by the city shall be void if such bonds shall not be issued within three years from the date of authorization.

## **CHAPTER XIII**

### **PURCHASES, SALES, CONTRACTS AND LEASES**

#### **Section 13.1 ESTABLISHMENT OF PROCEDURES BY ORDINANCE**

The city council shall provide for, by ordinance based upon a national standard, a purchasing procedure to be followed in purchasing city supplies, materials, equipment, contractual service, or other forms of personal property. Before making any such purchase or contract to purchase, competitive bids shall be obtained, except:

- (a) In the securing of professional services for the city;
- (b) When the purchasing agent for the city is exempted by the purchasing ordinance because of value or when the city council shall determine that no advantage to the city would result from competitive bidding or;
- (c) Upon the occurrence of an emergency.

The city council shall provide in the ordinance required by this section the definition of "lowest responsible bidder," the dollar limit within which the purchasing agent of the city may make purchases without the necessity of obtaining competitive bids and the dollar limit within which purchases may be made without the necessity of council approval.

#### **Section 13.2 PURCHASE, SALE AND LEASE OF PROPERTY**

The council shall establish by ordinance the procedures for the purchase, sale or lease of real property for the city for the direction of the city manager. The ordinance shall provide a dollar limit within which purchases, sales or leases of real property may be made without the necessity of securing competitive bids, and the dollar limit within which purchases or leases may be made without the necessity of prior council approval.

#### **Section 13.3 LIMITATIONS ON CONTRACTUAL POWER**

- (a) No contract shall be made with any person, firm or corporation in default to the city.
- (b) The council's power to sell or dispose of any real property shall be conditioned on the conducting of a public hearing thereon and receiving five (5) affirmative council votes and the requisite electoral approval if required by law.

#### **Section 13.4 INSTALLMENT CONTRACTS**

The city may enter into installment contracts for the purchase of property or capital equipment. Each such contract shall not extend over a period greater than that permitted by law nor shall the total amount of principal payments under all such contracts exceed a sum permitted by law. Each such payment shall be included in the budget for the year in which each respective installment is payable.

### **Section 13.5 RESTRICTION ON POWERS TO SELL OR LEASE PROPERTY**

The city may not sell any park or cemetery or any part thereof unless the sale is permitted by an affirmative majority of five (5) persons on council and a majority of the city electors voting on the proposed sale.

The transfer or assignment of any agreement or contract for the renting or leasing of public property may be made only upon approval of the council, but approval of such transfer shall not be subject to referendum.



## **CHAPTER XIV**

### **UTILITIES, FRANCHISES AND PERMITS**

#### **Section 14.1 GENERAL POWERS**

The city shall possess and hereby reserves to itself all the powers granted to cities by law to acquire, construct, own, operate, improve, enlarge, extend, repair, maintain, encumber, convey, dispose of or sell, either within or without its corporate limits, public utilities, including, but not by the way of limitation public utilities for treating and supplying water and for supplying light, heat, power, gas, sewage treatment, garbage disposal; and also to sell and deliver the products or services thereof, both within and without its corporate limits, subject to the limitations herein contained. The power to supply said utilities services, as herein possessed and reserved, shall include the power to extract, process, manufacture, transport or purchase the same from others.

#### **Section 14.2 ADMINISTRATION OF MUNICIPALLY OWNED AND OPERATED UTILITIES**

- (a) All municipally owned and operated utilities shall be administered as a regular department of the city government under the management and supervision of the city manager.
- (b) The council may enact such ordinances and adopt such resolutions as may be necessary for the care, protection, preservation, control and operation of any public utilities which the city may, in any manner acquire, own, or operate and all fixtures, appurtenances, apparatus, building, and machinery connected therewith or belonging thereto, and to carry into effect the powers conferred upon the city by the provisions of this charter and by law.

#### **Section 14.3 RATES**

- (a) The council shall fix just and reasonable rates and such other charges as may be deemed advisable for supplying municipal utility services and as permitted by law. Discrimination in rates by the council, within any classification of users, shall not be permitted, nor shall free service be permitted other than to the city, but higher rates may be charged for utility services delivered or furnished beyond the corporate limits of the city.
- (b) The rates and charges for any municipal utility shall be fixed on a basis at least adequate to compensate the city for the cost of such service and to make reasonable provision for the extension thereof according to the needs of the city. Transactions pertaining to the ownership and operation of each municipal utility shall be recorded in a separate group of accounts, which shall be classified in accordance with generally accepted accounting practices. Charges for all service furnished to, or rendered by, other city departments or administrative units shall be recorded, whether collected or not. An annual report shall be prepared to show the financial position of each utility and the results of its operation. A copy of such reports shall be available for inspection at the office of the city clerk.

#### **Section 14.4 COLLECTION OF MUNICIPAL UTILITY RATES AND CHARGES**

- (a) The council shall provide by ordinance for the collection of rates and charges for public utility services furnished by the city. When any person fails or refuses to pay to the city any sums due on utility bills, the service upon which such delinquency exists may be discontinued and suit may be brought for the collection thereof.
- (b) Except as otherwise provided by law, the city shall have a lien upon the premises to which utility services are supplied and, for such purposes, shall have all the powers granted to cities by law. The lien shall become effective immediately on the distribution or supplying of utility services to such premises. In each case where a lien to secure the payment of utility charges is not available to the city by operation of law or otherwise, the council shall require that an adequate deposit be made by the person to whom city utility services are furnished, for the purpose of guaranteeing the collection of charges for such utility services.
- (c) Insofar as permitted by law, all unpaid charges for utility services to any such premises, which, on the thirty-first day of March of each year, have remained unpaid for a period of six (6) months or more, shall be reported to the council by the city manager at the first meeting thereof in the month of April. The council thereupon shall order the publication in a newspaper of general circulation in the city of notice that all such unpaid utility charges not paid by the thirtieth day of April will be spread upon the city's tax roll against the premises to which such utility services were supplied or furnished, and such charges shall then be spread upon the city's tax roll and shall be collected in the same manner as the city taxes.

#### **Section 14.5 ACCOUNTS AND FINANCES OF PUBLIC UTILITIES**

Separate accounts termed Enterprise Funds shall be kept for each public utility owned and operated by the city. Such accounts shall be classified and made in accordance with general accounting practice. Charges for all services furnished to, or rendered by, other city departments or agencies shall be recorded. An annual report shall be prepared to show more accurately the financial position of the utility and the results of its operations which report shall be on file in the office of the city clerk for inspection. Such system of accounts shall conform to the Uniform System of Accounts as required by State law.

#### **Section 14.6 DISPOSAL OF MUNICIPAL UTILITY PLANTS AND PROPERTY**

The city shall not sell, exchange, lease, or in any way dispose of any property, easement, equipment, privilege, or asset needed to continue the operation of any municipal public utility, unless the proposition to do so is approved by at least three-fifths (3/5) of the electors of the city voting on the question at a regular or special city election. All contracts, grants, leases, or other forms of transfer in violation of this section shall be void and of no effect as against the city. The restrictions of this section shall not apply to the sale or exchange of articles of machinery or equipment of any municipally owned public utility, which are no longer useful or which are replaced by new machinery or equipment, or to the leasing of property not necessary for the operation of the utility, or to the exchange of property or easements for other needed property or interests in property.

#### **Section 14.7 PUBLIC UTILITY FRANCHISES**

Insofar as permitted by law the city may grant a franchise to any person for the use of the streets, alleys, bridges, and other public places of the city for the furnishing of any public utility,

electronic, telephonic, video or communications service to the city and its inhabitants as may be permitted by law. Franchises and renewals, amendments, and extensions thereof shall be granted only by ordinance. Public utility franchises shall include provisions for fixing rates and charges and may provide for readjustments thereof at periodic intervals. The city may, with respect to any public utility franchise granted after the effective date of this charter, whether or not so provided in the granting ordinance:

- (a) Terminate the same for the violation of any of its provisions, for the misuse or nonuse thereof, for failure to comply with any provision thereof, or any regulation imposed under authority of this section;
- (b) Require proper and adequate extension of plant and the maintenance thereof at the highest practicable standard of efficiency;
- (c) Establish reasonable standards of service and quality of products, and prevent unjust discrimination in service or rates;
- (d) Impose other regulations determined by the council to be conducive to the health, safety, welfare, and convenience of the public;
- (e) Require the public utility to permit joint use of its property and appurtenances located in the streets, alleys, bridges, and public places, by the city and other utilities, insofar as such joint use may be reasonably practicable and upon payment of reasonable rental therefor, and, in the absence of agreement, upon application by the public utility, provide for arbitration of the terms and conditions of such joint use and the compensation to be paid therefor;
- (f) Require the public utility to pay any part of the cost of improvement or maintenance of streets, alleys, bridges and public places, that arises from its use thereof, and to protect and save the city harmless from all damages arising from such use and;
- (g) Require the public utility to file with the city manager such drawings and maps of the location and nature of its facilities, as the council may request.

#### **Section 14.8 PUBLIC UTILITY FRANCHISES – GRANTING**

- (a) Public utility franchises and all renewals, and extensions thereof and amendments thereto shall be granted only by ordinance or as otherwise provided by law. No franchise shall be granted for a longer period than thirty (30) years.
- (b) Unless otherwise preempted by state or federal law, no franchise ordinance, which is not subject to revocation at the will of the council, shall be enacted nor become operative until the same shall have first been referred to the people at a regular or special election and received the affirmative vote of three-fifths (3/5) of the electors voting thereon. No such franchise ordinance shall be approved by the council for referral to the electorate before thirty (30) days after application therefore has been filed with the council nor until a public hearing has been held thereon, nor until the grantee named therein has filed with the city clerk his or her unconditional acceptance of all the terms of such franchise. No special election

for such purpose shall be ordered unless the expense of holding such election, as determined by the council, shall have been first paid to the city treasurer by the grantee.

- (c) A franchise ordinance, or renewal or extension thereof, or amendment thereto, which is subject to revocation at the will of the council may be enacted by the council without referral to the voters, but shall not be enacted unless it shall have been complete in the form in which it is finally enacted and shall have so been on file in the office of the city clerk for public inspection for at least four (4) weeks after publication of a notice that such ordinance is on file.

#### **Section 14.9 PUBLIC UTILITY FRANCHISES – CONDITIONS**

Unless otherwise preempted by state or federal law, all public utility franchises granted after the adoption of this charter, whether it be so provided in the granting ordinance or not shall be subject to the following rights of the city, but this enumeration shall not be exclusive or impair the right of the council to insert in such franchise any provision within the power of the city to impose or require:

- (a) To repeal the same for misuse, non-use, or failure to comply with the provisions thereof;
- (b) To require adequate extension of plant and service and maintenance thereof at the highest practicable standard of efficiency;
- (c) To establish reasonable standards of service and quality of products and prevent unjust discrimination in service or rates;
- (d) To require continuous and uninterrupted service to the public in accordance with the terms of the franchise throughout the entire length thereof;
- (e) To use, control, and regulate the use of its streets, alleys, bridges and other public places and the space above and beneath them and;
- (f) To impose such other regulations as may be determined by the council to be conducive to the safety, welfare and accommodation of the public.

#### **Section 14.10 AVAILABILITY OF PROPOSED ORDINANCES**

Every ordinance granting a franchise, license, or right to occupy or use streets, alleys, bridges, or public places shall remain on file with the city clerk for public inspection in its final form for at least four (4) weeks before the final adoption thereof, or the approval thereof for referral to the electorate.

#### **Section 14.11 PLANS OF FACILITIES IN STREETS AND PUBLIC PLACES**

- (a) The council may, by ordinance, require as a condition to the placing or installment thereof, that each public utility conducting a business in the city, file with the city manager a duplicate copy of layout plans of pipes, conduits, and other facilities which are to be placed on, under, or above the surface of the city's streets, alleys, bridges, and public places.

- (b) To the extent permitted by law, every public utility shall pay such part of the cost of improvement or maintenance of streets, alleys, bridges and other public places as shall arise from its use thereof and shall protect and save the city harmless from all damages arising from said use. Every such public utility may be required by the city to permit joint use of its property and appurtenances located in the streets, alleys and other public places of the city, by the city and other utilities insofar as such joint use may be reasonably practicable, and upon payment of reasonable rental therefore. In the absence of agreement and upon application by any public utility, the council shall provide for arbitration of the terms and conditions of such joint use and the compensation to be paid therefor.

#### **Section 14.12 TEMPORARY PERMITS**

Temporary permits for public utilities, revocable at any time at the will of the council, may be granted by the council by resolution on such terms and conditions as it shall determine, provided that such permits shall in no event be construed to be franchises or amendments to franchises. A temporary permit shall be subject to the rights of the city to make independent audit and examination of accounts at any time and to require reports annually or at more frequent intervals as prescribed by resolution of the council. When the council deems it in the public interest, such permits may be exclusive.

#### **Section 14.13 EXISTING FRANCHISES AND PERMITS**

All franchises and permits to which the Village of Caro is a party when this charter becomes effective shall remain in full force and effect according to each agreement.

#### **Section 14.14 PURCHASE – CONDEMNATION**

The city shall have the right to acquire by condemnation, or otherwise, the property of any public utility in accordance with general law.

